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A STUDY ON CURRENT PRACTICES, PERSPECTIVES AND
CHALLENGES OF NON- GOVERNMENTAL
ORGANISATIONS (NGOs) TOWARDS CORPORATE SOCIAL
RESPONSIBILITIES (CSR) IN KLANG VALLEY



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CHALLENGES OF NON- GOVERNMENTAL ORGANISATIONS
(NGOs) TOWARDS CORPORATE SOCIAL RESPONSIBILITIES (CSR)
IN KLANG VALLEY



Thesis Submitted to
School of Business Management Universiti Utara Malaysia,
Partial Fulfillment for the Master of Science (Management)

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ABSTRACT

This paper aims to explore NGOs role in executing corporate social responsibility through their self-perception. The approach used for this study is qualitative approach with semi-structured interview as instrument where it allows the freedom of perspective exploration as well as substantially describe the phenomenon. In the course of this qualitative study, it has been found that five prominent issues are highlighted by the NGOs in term of current practices and challenges through their perspectives. The study confirms that there are lack of understanding of NGOs role from other stakeholder in CSR landscape which creates conflicts. NGOs weak branding exercise has also contribute to the majority of the challenges that they are currently facing like acquiring fund and ensuring sustainability of their organizations. The government lack of insights on the issues has further weaken the CSR practice. According to the NGOs, CSR is also seen by their corporate counterparts as branding and marketing exercise to gain favorable image from public. Corporate counterparts seen CSR a fraction of obligation to the community with benefits for themselves not only in term of public image but tax exemption as well which is the total opposite of NGOs goal which is to advance the social causes for the benefit of the community. Deep-seeded misunderstanding on the objective of CSR practice has impedes the CSR practice from becoming an effective tool of social development and sustainability. The study shows that all the stakeholders of CSR need to have a set of standards or framework on the practice of CSR and government as policy maker need to gear the stakeholders up with holistic guidelines through relevant and updated regulations as well as enforcement.

Keyword: Corporate Social Responsibility, current practice, perspective and sustainability

ABSTRAK

Kajian ini bertujuan untuk meneroka peranan badan bukan kerajaan dalam melaksanakan tanggungjawab sosial korporat melalui persepsi diri mereka. Pendekatan yang digunakan untuk kajian ini adalah pendekatan kualitatif serta wawancara separa berstruktur sebagai instrumen di mana ia membolehkan kebebasan penerokaan perspektif serta mendefinisikan secara mendalam sesebuah fenomena. Dalam kajian kualitatif ini, didapati bahawa lima isu penting telah ditonjolkan oleh badan bukan kerajaan dari segi amalan semasa dan cabaran melalui perspektif mereka. Kajian itu mengesahkan bahawa terdapat kurang pemahaman tentang peranan badan bukan kerajaan daripada pihak berkepentingan lain dalam landskap tanggungjawab sosial korporat yang telah menjad punca wujudnya konflik. Usaha penjenamaan yang lemah oleh badan bukan kerajaan juga menyumbang kepada majoriti cabaran yang sedang mereka hadapi seperti memperoleh dana dan memastikan kemampanan organisasi mereka. Kurangnya pemahaman kerajaan tentang isu-isu ini telah melemahkan lagi amalan tanggungjawab sosial korporat. Menurut badan bukan kerajaan, tanggungjawab sosial korporat juga dilihat oleh rakan korporat mereka sebagai peluang penjenamaan dan pemasaran untuk mendapatkan imej yang baik dari orang awam. Rakan korporat melihat tanggungjawab sosial korporat sebagai sebahagian kecil daripada tanggungjawab kepada komuniti dengan faedah untuk mereka bukan sahaja dari segi imej tetapi juga pengecualian cukai yang bertentangan dengan matlamat badan bukan kerajaan yang bertujuan memperjuangkan permasalahan sosial demi kebaikan masyarakat. Kesalahfahaman mendalam tentang objektif amalan tanggungjawab sosial korporat telah menghalang ianya dari menjadi alat yang berkesan dalam pembangunan sosial dan menjamin kemampanan. Kajian ini menunjukkan bahawa semua pihak yang berkepentingan dalam tanggungjawab sosial korporat perlu mempunyai satu set piawaian atau kerangka mengenai amalan ini dan kerajaan sebagai pembuat dasar perlu menyatukan para pemegang kepentingan dengan garis panduan holistik melalui peraturan dan penguatkuasaan yang berkaitan dan dikemaskini.

Kata kunci : Tanggungjawab Sosial Korporat, amalan semasa, persektif dan kemampanan.

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LIST OF ABBREVIATIONS

NGO	Non-Governmental Organizations
CSR	Corporate Social Responsibility
PDEA	Political Donation and Expenditure Act

CHAPTER 1

INTRODUCTION

1.1 Background of the study

Technological evolution these days has resulted in a boundaryless world in a phenomenon known as globalisation. Being virtually boundaryless has created a huge diversity in our way of living. Interactions among so many different beliefs or religions happen so much more frequently and might create conflicts if they are not delicately managed. With such a domineering issue at hand, it is very crucial for the world's societies to practice the concept of 'harmony without uniformity'. The differences which potentially create divides are to be accepted and embraced.

Upholding the concept of 'harmony without uniformity', every religion in the world ultimately has the same message to be conveyed and grasped by its believers; that is spreading and practicing kindness, love, compassion and justice. Regardless of differences in faith, all religions in the world promote the importance of doing good and giving back to society.

The top organised religions in the world such as Christianity with 2.3 billion followers, Islam with 1.8 billion followers, Hinduism with 1.1 billion followers and Buddhism with 500 million followers all have specific teachings on doing good. For example in verse 97 of Surah An-Nahl in the Quran as cited in (Quran Reading, 2017);

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APPENDICES



RESEARCH TITLE : A STUDY ON) CURRENT PRACTICE, PERSPECTIVE
AND CHALLENGES OF NON-GOVERNMENTAL ORGANISATIONS
(NGOS) TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) IN
KLANG VALLEY

SECTION 1 –CURRENT PRACTICE

1. Does this organization have strategic partners in conducting CSR? (P)

“We do not have specific strategic partners. But we do work closely with some individuals who volunteer their time here and helping and we also work closely with government bodies like DBKL and some ministries on the basis of projects. Like recently we had organized one seminar and coaching for women entrepreneurs which is funded by the Ministry of Women, Families and Society”

NGO 1

“It was previously under JKM because JKM’s funding it is very low and they had only 2 volunteers and had to do everything and they were not able to reach out to children. So, our founder thought that it was not effective and they took over in the 2007. We work with UNICEF, police and there are a lot of stakeholders when it comes to corporate components it is more on running of activities.” **NGO 2**

“That is very obvious, we do have strategic partners. Our main strategic partner is of course Pusat Zakat Wilayah Persekutuan. We have a lot of programmes with them even we had successfully developed one of the Asnaf to

be a very successful business woman, KFC, JCORP and Tabung Haji are example of our partners. ” NGO 3

“Yes. Our funders are from corporate companies, individuals and some of the university, they did not support in term of financial but they send their students to do internship here with little to no allowance.” NGO 4

“We do not have so called strategic partners. We just have prominent donors who are on their own, not with any companies but they come as personal donors. NGO 5

“We do not have partners. Self-funded.” NGO 6



2. What kind of support extended by the partners? (P)

“First of all of course financial support at the very least is moral support where they also help to promote our programmes to enhance the visibility of our establishment. It is important for NGOs to be well known as to establish a trustworthy image where it helps in gaining supports and cooperation down the road. As for government bodies’ support they usually provide us with facilities like hall for us to conduct seminar if not for free it is usually for a cheaper rate than what they usually charge. NGO 1

“We have donors and some came for activities. Funders will call us for a meeting and ask us what we need. Mostly the corporate focus on sustainability and education programmes. But then we have other commitment as well like our operational cost which usually a little bit hard for us to get the financial support and we usually gets it from individual donors. You see when it comes to CSR right, expertise is what we need, we don’t actually benefit from one day programmes. It is like one time they come and spend time with children, so what is the impact? Corporates are the one who is talking about the impact and sustainability but they are not practicing what they preach. We need the corporate entities to at least have a discussion with NGOs and inquire what kind of support that we need that will at the end have prolonged impact to the target group and nowadays, I heard that corporates been sitting down together and they talk about funding and NGOs but I have not heard any solution as we NGOs are all fighting for the same pie. Sometimes what NGOs want from corporates 1) expertise 2) fundings but sometimes when they ask us to come out with sustainability plan and impact but for me it is too far-centred where our

NGOs skills set are different from corporates. If the corporate did not send anyone to help us as we are struggling writing proposals as sometimes we write our style of proposal and they requested us to follow their styles.” NGO 2

“We got financial support and expertise. Talking about expertise, we had one collaboration with UUM, with Prof Mahmud Nazar TNC HEP, we tried to develop modules on halal banking system, management system after he stepped down we did with UNISEL, actively involved in developing standards as well. In those days, we really want to develop our own standards, we had Research Institute of Standard in Islam , this is more on virtual form as it was quite costly to have a physical form. We proposed to Tun Ahmad Sarji but unfortunately that eventhough he was in PNB and IKIM but he did not have the fund to support the initiatives, he asked us to go to Tabung Haji. Along the line government make decision only under the flagship of JAKIM and we put a hold on our initiative and our product we called ISI 2020, it is a perfect standard that is our intention. We managed to present ISI 2020 in OIC Summit at Tripoly in 1998. During Rafidah Aziz is the MITI Minister and the DG was Tan Sri Adnan Jalil. In short, all these were possible because of friendship; Rafidah knew me, DG at that time is from my hometown. Now how can we develop the standard so fast because the DG now is my junior in college. Networking play a role. Why at the time Zahid Hamidi was the minister we got good fund for our cause? Because he is my mentor. We have collaboration with Yayasan Patriot, they sold PATRIOT plat number and we collaborate with them and they gave us funding.” NGO 3

“For me, support is not only in the form of financial but also in the form of service, time and effort. Even the parents here also cooperate to provide transport for activities. We also have banks and Sime Darby. Last year Selangor Government has given some form of financial support. If it is corporate companies usually we received one off contribution which every quarterly we have to submit report.” NGO 4

“One or two firm standing providing monthly rental for us. Usually we have donors who come on monthly basis for years to sustain us on our rent. That can make us sustain and we can start another initiatives or home.” NGO 5

“Many companies asking but only half come, not all are genuine. The tax exemption must be established for three years and above. So big companies do not want to help the new NGOs. But we have the genuine ones just come and ask us what we need and just buy for us.” NGO 6

3. Does your organization disclose yearly report to any government body or strategic partner? (P)

“Yes we do. As we are under Jabatan Perdana Menteri, we sent out report in fact we just submit one last week. It is a professionally audited report.” NGO 1

“Actually everyone have their own individual style of reporting. Even though we have prepared a report but if it does not suit the needs of the report. For example, SHELL Malaysia is supporting our education programme right so the report must be about the programme while for government agencies, they just want to know how many children are in the centre. So everyone has different need so we have to prepare our reports to cater to everyone’s needs. We also need to submit audited report and we approach the PWC to audit our financial report for free but no one has come around. When sending our report to corporates for us it is very simple report about how many children are here how much we have spent but for corporate it has to be dolar to dolar comparison which is very hard for us we do not have that skill. But we try our best to understand their reporting style as at the end we need their money. We also cannot afford to pay one person for one specific task like corporate communication and it is very tiring.” NGO 2

“We have to submit our report to government bodies and ROS and of course to our strategic partners. When we approached our strategic partners we have our proposal and we present to them and we agree on the term and condition then only we execute” NGO 3

“For example if they said that they want fund us for our rental of the centre, than we have to show the proof that we use the money to pay the rental. Same goes if they want to support out provision. We will show all the purchase receipts of the food and beverages. Another common financial support is for the staff salary so we have to show the bank slip as well as payslip of the staff. We have the report compilation and they will come for audit not that often but they do come. Every single cent provided should be used for the purposes intended”

NGO 4

“We gave our report to Registration of Society (ROS). We usually have to update on our account on how fund is being generated and how it is being used.” **NGO 5**

“No, we do not.” **NGO 6**



4. Does your organization have board of directors? If yes, what are the professions of your board members? (P)

“Yes. Our Board of trustees is our Board of Directors. They are all professionals that spent their time volunteering as well.” NGO 1

“Yes we do have board of trustees. I would say that they all come from corporate background so their expertise is more on managing of the organization and operation parts, they don’t have expertise in children but I think our founder has expertise in children. Our accounts and our legal is where their expertise is used.” NGO 2

“We just follow ROS requirement to have chairman, secretary and fellows.”
NGO 3

“We do have our board of directors. They are professional like accountant, CEO and two professional from London and one of them has worked with autism children before and understand the need and challenges of taking care of these autism children.” NGO 4

“We have founders me and my husband a 20 volunteers work for us. “ NGO 5

“No, just a family run centre.” NGO 6

5. What is the management style of your organization? (P)

“We do have proper organization chart and our job scope and roles are being devised by the HR personnel to avoid confusion as well as helping us to stay organize in the effort to successfully run multiple programmes at one given moment.” NGO 1

“For us we have our board of trustees, top management and then managers and then we have our social workers division and programmes division.” NGO 2

“We have general assembly and weekly meetings. We have two components permanent and voluntary staff.” NGO 3

“Generally the principal cum manager has to manage everything in regards to the students, parents and staff. The organizational chart include therapist, teachers and cook. We refer to the top management only when it is necessary but they are keep in the loop about the centre matters. We have not face any severe issue like legal action or what not as we provide service to those who needed us and they are very appreciative, we provide quality education with minimum charge. They are very supportive, at homes they will continue to help the children. Commitment must be there from the children. If the children with autism, small achievement like wearing pants by their own, from picky eater. We want to educate the children to be as independent as they can be, that is the challenge here.” NGO 4

“No formal organizational chart.” NGO 5

“I just manage it myself.” NGO 6

6. Are there any recent changes in law or regulations that impacted your organization? (P)

“With the new governments and ministers who are young and eager to make changes, there a lot of changes that they want to make in the effort of betterment however, some of it might not be that relevant. For example, recently where NGOs are said to be hold at par with the corporate entities. NGOs are expected to do what the financial abled corporate entities currently doing in the effort to hold NGOs accountable of how we use the fund donated to us. It is impossible as we do not have such lucrative financial resource, we are not profit making entity. For example, to submit an audited report to Jabatan Perdana Menteri we have to pay professional accountant to audit our account and report and it cost us a fortune between RM5000 to RM12000, now let say we have our budget that month of only RM4500 to be spent on administrative matters including allowance of the employees, spending that large sum of money does mean that there is a possibility that we cannot afford to pay out the allowance. The ministers are usually misinformed in their eagerness to improve the current practice which is seen as flawed in their opinion.” NGO 1

“If we are talking about the new government, they are at a very early stage and we are rebuilding our relationship with them and of course pushing for policy change on the ground like alternative detention. Alternative detention is where the refugee kids like Rohingya kids who came here without parents but have like extended families here, we want the government to reach out to NGOs and place this children to a home instead of detention centre as it is not healthy for their mental development. That is something that we have been pushing for the last

five years and government does not understand that.” In a lot of the policy actually, government do not understand themselves. And for us talking about tax exemption from LHDN... Oh my god... we actually have tax exemption status but the renewal, even last time it took us 5 years to gain the status and we have to renew every two years. This year they are even strict, we have send it our report about the children and our account but they said they have a template and they want us to follow their template. We feel like so many business get this tax exemption but they do not get scrutinized but then we just NGOs doing good work and we got scrutinized and I find it very unfair. And also when some of the corporate creating foundation and park their profit there saying it is for charity and they are doing fraudulent works, the LHDN did not go there and check or scrutinized and we have suffered the consequences from what they do. It is basically politic plays and if you know certain people you can get the status very easy. Things are working that way which is not fair and just.” **NGO 2**

“Not really but we know that this regulations are enforced because some people used foundation to do unlawful things. I take for example, in those days everybody will form fisherman association, siblings will form fisherman association and why? Because the government was giving out blanket subsidy for petrol and diesel. Based on number, 100 members get 100 subsidy, so instead of catching fish they sell the petrol or the their catch are being sold to other fisherman in the middle of the sea to be exported and get more money from that. my comment last time was, subsidy is good but it must be targeted based on yield. We give out you the zone for you to catch fish and you come at the designated jetty or doc and weigh your catch of the day and earn the

allowance because it is impossible to come back empty with all the technology. Another one example do you remember the Rakan Muda initiative, all eager to conduct event in the name of Rakan Muda initiative but then they received the fund but there were no programmes being held. Now everything has been revealed, the fraudulent. I understand that those genuine NGO are struggling because of these kind of practice. But we do not have problems on regulations as we are transparent in everything we do. For the decision maker up there, they are not very smart as well, they cannot give something on blanket basis, and you should go and check case by case. During those day the education minister is Tan Sri Musa Ahmad from USM, I have presented something in front of him but he said that this NGO must be anti-establishment. I bashed him back saying that sorry I would like to correct your mindset. I came here to give you my idea about to incorporate at the early stage in school for students to be part of consumer association. But the teacher who is advisor must be a trained teacher so that they understand what consumerism is and I proposed for it to be established in the universities as well. He said that it is not possible due to AUKU, I said that this is not political movement this is to prepare our young generation to be a consumer. He said that they do not have the budget for it. I said that you need to be creative, capitalized on the Kemahiran Hidup subject to expose the students on consumerism. He declined that idea as well and this is a problem with our government officers and those who are with power and position. Now NGOs are facing problems. The officers are very comfortable on the practice if they gave out something they got something in return. Recently there is a proposal from a very strong company, they got RM 2 million grant from the government on their technology to filter and clean our river water, we

proposed that technology to JPS, but they declined because they got nothing in return. No profit and benefit for them there. Moreover, to get tax exemption status is not easy because so many people misused the status. But you have to understand that tax exemption does not means you gave out RM100 you get exempted RM100, there is a way to calculate it.” NGO 3

“For us it is more on the government procedures. For example for us to apply for license we have to go through at least 3 government bodies like Jabatan Kebajikan Masyarakat, if there is greenlight from them after seeing our documents and it will take 3 months minimum, then proceed with the other requirements from Fire Department, health department and local Majlis Perbandaran. The process takes us one to two years. We are constantly worry if there is unwanted things happen without us having the proper approval. For them to come for inspection, it will take months. When we call, they always tell us to wait for our turn. If we just go to the government office, they will tell us the person in-charge is not at the office, went out for inspections at other places. Those what happen, I do not know what is core issue here, whether some people fail to execute their responsibility or too many NGOs waiting for their turn and it delays the entire approval process. They gave the approval for five years and when we want to renew we have to start from zero again, which is very time consuming. We are always afraid, safety first for me.” NGO 4

“No, I do not think so.” NGO 5

“No.” NGO 6

SECTION 2 -CHALLENGES:

1. How many full time employees and volunteers do you have? (C)

“We have 5 full time employees here including myself as for volunteers they are all participants of programs of community service like for example recently we organize a programme to clean mosques, the locals participated in the programme and help clean the mosque while we provide the necessary equipment for the activities. If you are talking about volunteers who come and help with the day to day tasks, we do not have that kind of volunteers here.”

NGO 1

“For full time employees we have thirty four staff but they are cut across three centres, we have accountant and HR personnel. For volunteers we have around twenty two volunteers. The volunteers are the one who help us run the programmes, they are the tuition teachers, tae kwan do classes and henna classes, they are running the daily programmes for us. We look only for volunteers who can come weekly as children need consistency, we not want volunteer who come in one day today and tomorrow just gone and that is why we always evaluate the volunteers as well.” **NGO 2**

“From time to time we change our MO. Now it is more on activist or volunteers and we give allowance to them, we do have permanent staff as well. We have associate partners as well, some associate partners they get their salary from where they work but a few days in a week they work with us. So many other arrangement depending on our mutual understanding.” **NGO 3**

“We have 5 full time employees.” **NGO 4**

“We have 20 of full-time, our challenge is to meet their allowance payment.”

NGO 5

“My wife and I, my sister and one full time employee.” **NGO 6**



2. Have you ever face problems in relation to your manpower in organizing CSR? Explain. (C)

“ In term of manpower to organize CSR we do not have problems to reach out to them but in term of professional help like having certified accountant to audit our accounts statement and financial report, maintenance of website as well as the legal aid, that we do not have the financial capacity to have them on board with us.” NGO 1

“Some corporate yes and some corporate they already have ideas of what they want to and come to us asking like 12 of our employees while some corporate they don't even have idea of what they want to do and we have to plan the activities for them, negotiate the activities with them and come to a term of understanding and then run the activities. Sometimes they want fire drill and fire safety activities, it just takes a lot of our resource. You do not have one person who manage one thing, sometimes that one person manage so many things even I have to go on the ground to chip in. The corporates sometimes do not give us fund they just want one day activity but what are we gaining from that? If you ask me personally, one day activities does not give any impact to us. It is branding and marketing for them. We prefer the corporate which want to give us fund and they have their own ideas of activities. Sometimes, we also find that the fund that corporates have they blew it in the activity meaning they have a budget for CSR as most corporate has budget for CSR because they get recognized for having it, let say they have RM 5000 budget they just used the whole RM5000 for the activity like the food and goody bags for children but at the end of the year only we need like uniforms for the kids, otherwise we do not

need anything and why do you have to give out things that are of no use, the kids also will not value such things.” NGO 2

“Sometimes, during the execution of a plan, our expectation is very high but the turn up is low. It happens sometimes. But in organizing CSR we do not have problem. We went to kampung orang asli and we have one group ‘Gang Cuci Masjid’. We got sponsor from paint companies and clean the toilet. This kind of thing is seasonal. To sustain is abit tough. To start is okay, people are happy but then we got this volunteer when they are waiting for call to further study and after that they just stop coming. It is normal for voluntary cause.” NGO 3

“In regards to manpower, we just utilize to the max of what we have. Because to have a one to one session for each children, we do not have that capacity. That is ideal but we do have that resources so we make do with what we have depending on the severity of the autism spectrum of the children. The ratio of teacher to students is usually 1 to 3 or 1 to 5. If it very mild autism, 1 teacher can take care of 7 students in a classroom setting. We will not accept more than we can as we need to ensure the quality. From they cannot speak until they can talk, even the smallest progress is a blessing to us.” NGO 4

“Beginning yes, now we recruit single moms to help us, give them place to stay and small token of allowance.” NGO 5

“We are facing problems that people are lying about the state of health of the elderly in order to put them in this home. We need people who are genuine

professional to certify the health condition of a potential residents before we accept them in.” NGO 6



3. Does your organization have system to manage its daily operation? (C)

“We do have simple information system developed by our HR personnel to help us stay organize as well as small database also developed in house which contain information in relation to our programmes and events. Apart from that, having holding the integrity as the highest priority, all the software used here are licensed like Microsoft office and none is pirated version and it is important to us.” NGO 1

“We are using the salesforce system for our social works. The system works as database for us for example one social worker went out to bring a child to clinic because of fever, they come back and they key in the salesforce and when you generate report under the child’s name you can view what kind of services that the child receive throughout the years from this foundation.” NGO 2

“Our permanent staff have clock in and out system, specific job scope so it is not redundant” NGO 3

“We just have the report compilation and filing manually we do not have the resource to buy any kind of system to help us on record keeping.” NGO 4

“We have reports, we have meetings and we discuss on how to upgrade their skills and send them for trainings.” NGO 5

“ We do everything ourselves.” NGO 6

4. How do you acquire fund to sustain your operation and conduct CSR? Is the fund acquired sufficient? (C)

“Being one of the handful foundation incorporated direct under Jabatan Perdana Menteri by Bahagian Hal Ehwal Undang-Undang does not really make us different from other NGOs. Our main struggle is of course financial to sustain the operation. Whenever we can, we will definitely ask for the support from government but that does not come easy. We have to follow the procedures and deal with bureaucracy of the government bodies. Sometimes, the amount requested is for example RM 100, 000 but we only received fund contribution from the government for maybe RM 10 000 and the deficit on RM 90 000, we have to secure it by ourselves. We have to get creative to acquire the necessary fund. Our main strategy is usually to offer joint venture project with the corporate companies where they provide the fund and get the publicity they needed and we get to run our programmes. The companies can take all the credit that they want as our main goal is to secure the fund and being able to organize the programmes. However, as NGO the fund acquired is never enough. In fact all 5 of our full time staffs here are being paid allowance not salary and our fellows advisors who are professionals namely Ustaz Hanafiah Malek, Ahmad Nazrin, Dato’ Nik and Dato’ Yidris volunteers their time here to oversee the programmes and events being run in the foundation. They are not being paid, if we have extra budget that month we will give them small amount of token. That is how miniscule our financial resource is. The other strategy that we are currently looking into is the possibilities to establish training academy where I am actually a certified trainer under HRDF; we plan to provide corporate trainings to companies with lesser rate just enough to add to our

financial resources. Other than that, we are trying to get our funder or donors tax exemption should they donate any amount to support our programmes, this is actually effort to attract more donors.” NGO 1

“We have to do multiple fundraisings for example we have the online platform called ‘Simply Giving’, anytime a child need help like operation whatsoever, we will work with them to put the story up and have link that they can share on their social media and most Malaysian react to individual cases that is how we acquire our individual funds and we also conduct campaign for college students like challenge if you can live with only RM7 a week, you can share your story and struggles to fill what is poverty and hunger is, then you can donate to the cause. We had HELP University, they raised RM10000 using that platform. It is the power of social media. It is not about you being and NGO go out and asking for money it is about relationship and nurturing the relationship and they are more highly and likely to donate to you. We also write in for corporate grants and to embassies. Like Sime Darby, they have the corporate grants application online you just go to the website and write in the application according to the template.” NGO 2

“Of course we also have our own link company, they are legal entities which run business but portion of the earning is infaq to the persatuan. Because to sustain the operation cost that is very high we have to have the corporations. We also have our own koperasi KOPIM. Theoretically the koperasi business should be booming but of course the mentality of our muslim people here is not too keen to contribute.” NGO 3

“We will just be transparent to you, all the children here require at least RM2900 monthly/ individual including all the services but 90% of the fees is covered by us due to the small income of the parents. We are not profit making centre but we will have fundraising or find any donors of funders to help the students and parents with autism children. As it always happen that due to the pressing needs of the child with autism, often one parent has to quit their job as there is no one to take care of the child. No baby sitter wants to take the autistic child because they do not have the skills to handle them. More often than not, this has threatened their family income. So we help these children and parents. Another thing is tax exemption status, if you do not have the status, it is hard for you to attract the companies to be your funder.” **NGO 4**

“Under my care there is 140 people, the fund is not enough but we pull through. Trust in our God and people like you pass the words. The problem is there and it is not easy to maintain without any help from government.” **NGO 5**

“ Donation and my money. For example I want to renovate the home to give more space, I asked few contractors to come and give me quotation but none of them lower their price even they know that we are charity centre. I have to find the material myself and just pay people to renovate but need so much money, the project is with slow progress.” **NGO 6**

5. Have you ever face issue when dealing with corporate companies in conducting CSR? (C)

“First of all, it is their money. They can do whatever they want with it but they chose to donate to us. It may seems unfair sometimes when we organize a programme, you can see that the company’s logo is big and at the centre while the NGOs logo are placed at the end of a banner with much smaller size. For me, personally it is fine because they want the publicity, the visibility of their participation in the social work. As a NGO, I am more than happy to provide them the publicity that they need as long as we are given the freedom to decide how the programme should be run and what the content of the programme is. Dealing with small companies, they usually provide fund and just ask in return to highlight their participation to public but when it comes to big corporation, it is quite tough when we are being approached by the marketing or branding team. They usually focus on the marketing and public relation exercise and the spectacle to their contribution in engaging to the locals rather than focusing on the outcome of the programme. They usually want to take control of everything like who the VVIP that should be invited and how the programme should unfold and their participation and contributions should be the centre.” NGO 1

“Sometimes, it is number of people they want to bring in like they have 100 volunteers coming in and we have like 60 children including the teenagers, we are trying to work things out and they managed to find Event Company and come and help us. We managed to find place and building bicycles together, it was a very organized event and we do have to do much but then some of the corporate they do not know what to do and when we proposed they are not too

happy with the proposal but we still have to 'jaga hati' because at the end they might be our potential donor right? That is where it takes a lot of our resources to keep them happy although from that particular event we did not get any benefit. Another thing to add is that, the corporate are using the NGOs for their branding, they think they are helping the children which actually they are not, They are using our space and our utilities and all that, at least they should reimburse us the cost or even a small token also we appreciate it very much. Corporates should understand that we take up times from our busy schedule to entertain them as well and usually there are very few that consider that.” **NGO**

2

“As long as they understand our mission and we agreed to the term, we do it. There are multinationals companies want to dictate us. We will never take any kind of 'kindness' as we do not want to be trapped. Some people they used to do it because they saw other people method, some NGOs do that but we do not want to be undermined. We want to do whatever we want to and whatever we like to do. If you want to dictate, sorry. We need to be impartial. Recently we proposed to Jabatan Penjara, the incarcerated people are not all without qualification, some of them are very intelligent people but maybe trapped in such situation that they received bribe or some sort. When they got out of the jail, the community cannot accept them back because they are former jailbird, so we proposed to have a programme for them to come back to community through a pathway. In the prison we have rehabilitation programme where prisoners produce product with brand name PRIDE but unfortunately, industry does not want to take the products. Sometimes those who were captured are drug addicts but hold high rank in government offices, for those who have

repented and change their way just come to us and we will find suitable job for skills that they have. We have more than 50000 ex-convicts who can work but do not manage to secure a job because the stigma is there. There was one case which the magistrate received bribe and got imprisoned and he repented and change his way and now he is the spokesperson for SPRM on campaign against bribery. It is based on life experience. But how many people can turn around? So that is the proposal.” NGO 3

“For example with company A stated that what they want to sponsor, usually at the time they approach we already have understanding and agreement. So we do not have problem with the sponsors, they just cannot meddle with family affairs. We will just fully utilized the fund they gave. For example using the money for food, it must be healthy food.” NGO 4

“CSR is trying to help, it is good but they think by giving money, they do not want to trust NGOs. They want to just buy us provision or pay one or two bills and they are gone but we need help to finance us monthly. To run this whole operation is RM25 000 monthly, if I do not receive enough cash there will be few bills stagnant. Especially our petrol, monthly is RM1500 to RM2500. Daily there will be patients going in and coming out from hospital. The price of petrol is now increased. So we can’t tell that to the CSR, when we tell they think we are not genuine. Now, we are trying to talk to some people about that to help us especially on our petrol cost. We do not have problems with provision i.e. food supply as Malaysians are very generous in that sense. What we really need is financial support for us to sustain as well continuing the charity works. Because provision Malaysia are good, they want to give, Malaysian we do not have that problem. Just our bills and petrol cost are not met monthly. If the corporate

people have the awareness on that, then they can really help us. the other day one group of employees from a local company came and saying that they wanted to plant some flowers to beautify the landscape, but what happened is that they took 3000 to 5000 photos during the whole time they are here and no actual work being done...at the end this is just a marketing and publicity act for them and the children gain no benefits” NGO 5

“No one help us yet because we are new.” NGO 6



SECTION 3 -PERSPECTIVE:

1. What are your suggestions for effective functioning NGOs? (O)

“In my opinion to further improve NGOs function, there are 3 things that NGOs need to look into: 1) actively engaging with other NGOs (Strength in number) - For example 20 NGOs which its core mission is developing socio-economic should gather and have some sort of forum maybe once a year to share experience and give pointers. Maybe whatever problems that 1 NGO is currently facing are the problems that have been dealt with by another NGOs and they can share their experience on how they solve the problems, 2) Engage with government bodies- NGOs also are social representative of the rakyat and should work to put pressure on governments to prioritize the rakyat wellbeing. The more NGOs collaborate together, the stronger the collective voice will be and it will put pressure to the government and authorities. Apart from that NGOs is the social player that accommodate the limited span or reach of the government. For example, how many people can one drug rehabilitation centre that belongs to the government can help treat, not that many right? That is where NGOs function comes into place and 3) actively engage with international or NGOs from outside the state. For me this is important as it build strong network among the NGOs and will definitely aid in the NGOs cause.” NGO 1

“For me,as NGOs you just do your work to your best and get recognized for it as it will set and example and standards for other NGOs to replicate it to other areas.” NGO 2

“During the time the minister is Tan Sri Nor Yaakob. Blue Mosque Fraternity is formed. It is a fraternity of Muslim Entrepreneurs. We are the bridge to meet the minister and table their problem and if it can be helped the ministers will help. We had a collaboration with IKIM radio station and Monday to Friday, we brought our members and gave them 15 minutes to talk about their products. We found out that Muslim is lacking in term of marketing strategy, lack of visibility because the advertisement cost is very high. Even if you want the products to enter the supermarket you have to pay the shelf fees and what not so to help we formed the fraternity. So first, your mission and vision must be clear. Select correct people to be on board with the NGO. Of course it is very hard to judge people but during the course of the months you can really see people commitments, of course some people come and go. First you try them on the voluntary basis and if they seems very committed bring them on board to hold an office.” **NGO 3**

“We will just look at our objective, vision and mission. If we fulfill that, it is more than enough. If we want to create or impose a policy let it be relevant and not burdening. If it is about transparency just come and look at what we do. If you want us to prove our transparency but sending out professionally audited report to you which going to cost us thousands, we will not be able to do that. It is not relevant with NGOs motive which is charitable. And the people out there need to understand that charity does not means free, it means that maybe the voluntarily work will cost less. The service provided sometimes is not without cost at all but maybe it is with minimal cost to help ease the burden of people in need but the service is still with the professional standard as what

private entities have been providing for money and profit. At least the meal allowance, if you want everything free, we will not be able to progress. Have clear target but make sure your target is achievable and not just ideal on paper while it is not realistic.” NGO 4

“ The government actually can help us. The government problem is they send the welfare officer to go and check when there is problem. Their procedure to set up home and get fund from government is not easy. It is very tedious. They question and the requirement for them to give the fund is like a long procedure. Finally when we have completed, it is not right and we have to do it the other way. We try to do it again, the period is expired and we have to start all over again. It is a massive effort. Until now we are trying to get the funding from government. We need government support is enough, we do not have to depend so much on the CSR. The government thinking not everybody is genuine. But some people like us is genuine, you just have to come down and see us.” NGO

5

“ We need money for the operation cost.” NGO 6

2. Do you think attending training will help to improve NGOs management? If yes, what kinds of training do NGOs required?

“I notice that some of the NGOs founders have lack of communication skills. In this line of so called business, communication is key. It is how we gain trust of our potential funders. What I notice, NGOs usually complain that the government is not helping although they are very genuine in their social work. What NGOs should do is increase the awareness about their organization as well as the cause they supported. If people do not know you, how can they trust you with their money? As simple as that, communicate effectively and constantly. Networking is the key, approach them casually at first just to introduce your organization, invite them to participate constantly and when they trust you enough they will usually collaborate with you down the road.”

NGO 1

“I would say yes and no as of course the management, leadership and communication training is there for us to attend. I give you one good example, we have very direct accounting format, for example my social workers salary comes under salary and it looks like very heavily spend on the operational cost, while other NGO can put it under project cost like for example running this centre falls under programme cost, other NGOs have been doing it but we are still stuck and if we can have training to teach our accountant to do it, that will be very valuable training for us.” **NGO 2**

“Yes. One of course the office management training but the more important is character building training. Because to be in NGOs you will encounter so many problems, so you have to develop very strong character but it will take months and years of training. We can send them for in house training or external training of character building. Secondly, you have to build the character on Islamic values, instill the value of giving rather than receiving than only they can survive in NGOs. Because you are not only giving your time, your physical strength, giving your money and sometimes you have to depart with your loved ones. The recent Tsunami strike, we send out our volunteers whom with expertise which can help the needs there. So character building, office management and time management is crucial.” NGO 3

“Yes. Even though we do not have the fund for training. We will find training that we can afford. If the corporate sectors offering training that cost thousands, we cannot afford to have it. We would like to have training on special needs children care.” NGO 4

“We need financial management training, care skills. The government has been trying to provide the trainings but I think the more is better. Especially how to manage and counselling people. NGO 5

“Maybe can help.” NGO 6

3. Should NGOs be consulted in the process of policy making that will be regulating all the NGOs in Malaysia? Please elaborate your opinion.

(O)

*“In this VUCA world it is imperative for the policy to be changed and aligned with the requirement but it is not without consulting the parties that will be most impacted by the policy changes. V stands for the volatility of the current CSR environment or any other environment that impacted the society. It is ever changing of which the policy should also be that volatile to better serve the society. U stands for uncertainty of which the future and what changes and issue it might bring is uncertain. C stands for complexity which means that it is not straightforward and easy but there are multiple key decisions to be made at so many levels. A stands for ambiguity which means clarity is lacking in term of understanding of an event like the lack of understanding of NGOs role. It is frustrating that the policy makers who do not have the genuine understanding of how NGOs work and what are our role in the society, create new regulations and imposed it on us. Usually the regulations either hinder us from executing our charity services and plan or it impedes our ability to sustain. The policy makers sometimes are too eager to tackle the surface issue with 20% understanding of the bigger picture, they are severely misinformed .For example, recently where NGOs are said to be hold at par with the corporate entities. NGOs are expected to do what the financial abled corporate entities currently doing in the effort to hold NGOs accountable of how we use the fund donated to us. It is impossible as we do not have such lucrative financial resource, we are not profit making entity.”***NGO 1**

“There is a big discrepancies between Policy makers, NGOs and government agencies. So everyone has their own perception. Of course the

policy makers are very focus on the policy but if they do not understand, from our experience going out and advocating, their understanding of paperwork is very low so whenever they ask us write a concept paper, they do not understand the concept that we are trying to highlight and just make an assumption and create a policy without checking. They just call us to send it concept paper because they have cabinet meetings and all and when it gets approve, it does not even related to what we proposed.” NGO 2

“Of course the NGOs need to be consulted especially consumer movement because we are the stakeholders. A government is not defined as a bunch of people elected by the rakyat and is entrusted in managing the country. A government comprises of government bodies and agencies, private entities or businesses as well as the non-governmental organization. These three components of a government have to work in a symbiosis way and who will benefit from that? Of course the rakyat. Unfortunately, they think that this country like their own company so they think they know best and they think they can do whatever they like without asking the opinion of the public, opinion of the private sectors or other stakeholders. The biggest stakeholders of course is the public and the private sectors and government are selected few who govern based on the constitution. NGO is formed not necessarily as pressure group, it could be extension hand of the government, and it could be the mediator between stakeholders, private sectors with the regulators or government. Specifically for consumers association, of course represents the consumers. There are two types of consumer association in the world, 1) conventional consumer movement and 2) Muslim consumer movement. You as a Muslim, you

need to inform to private sectors and government what your needs are. Because to fulfill our way of life all must be based on syariah. Based on that, we are striving for standards in Islam like in Surah Al-Maidah verse which means that everything in Islam must have its own standard. On food for example in Surah Al-Baqarah, Oh human being, seek for food that is halal for you and do not follow the steps of the devil because they are your real enemy. From that, derive a standard what you call is halal, now we have developed so many standards together with JAKIM, SIRIM and industry players for cosmetics, logistic, management, banking and we are pushing for halal standard for medical device now. Allah also mentioned in Surah Al-Baqarah verse 120, we have now followed the Yahudi's standard which now they introduced ISO standards, where ISO standard very subtly and in a very insidious way they are to discriminate Muslims. There must be a reason Allah mentioned Halal first then Toyyiba, but Yahudi create HACCP- Hazard Control Acritical Point and everybody praised. Owh if we want to eat the food must be HACCP certified without realizing being a Muslim your first obligation is to find the halal first, not only for you but for non-Muslim as well. Like for example Hindu who are vegetarian they will be looking for food that is halal based on their belief and we as muslim defines halal based on revealed knowledge. That is what we called Fitrah. Based on that, a group of professional we form a Muslim Consumer Association in 1996. For example if the government wants to increase the price of sugar, of course we will support government policy but as long as it is beneficial to the consumers. We need to tag along with the government if they want to change the policy but in order for us to tag along with the idea, the government must listen to our reasoning first. Until now, we still embark on the

*policy to have the houses ready before being sold in the market. We encounter a lot of problems of house buyer where they have started to pay and the housing project is not being completed, the status of the property is not converted. We strive to have the house complete and start paying. Of course the price is slightly higher but if you calculate the risk of the house not being completed is more. But government met us half way, you rent and buy the house but we still embarking on that cause. Another example is, those days we had housing projects with only two rooms, that is a subtle way of pushing Muslims to involve in incest, when the female and male siblings in one room, they are pushed towards those social issues. We pushed for the housing projects to have minimum three rooms. And the PPRT housing project, I have spoken to Zuraidah, she is very good. She made an announcement to have minimum size of a room, to us minimum size of a space that being called a room is 12x12 but the government now regulate 10x10, three rooms with hall and all. One more example is on imported product, if we want to export our products to certain country we have to abide to their laws so in our country for food product they must get halal certification first now for animal based products, to import chicken or beef it must be certified halal. The problem is Malaysian consumers like to follow the trend, bubble tea, they like fast food if we have the absolute power, I will ban the fast food, and you must go for healthy food. The problem is on our Malaysian, they don't have time, they are lazy and they do not know how to cook. “ **NGO 3***

“Another issue that I would like to highlight about the age limit for children registered for nursery or kindergarten is of course 0-4 years old. But for special needs children, the age limit is not relevant because we know like autism cannot

be diagnosed as early as 3 years old. The diagnostic process will take quite some times. We have never met with child age 3 years and below and it is not relevant to have the special need children only one year time at the nursery. Autism is different from other disabilities like Down syndrome or blindness which you can see from the moment they are born. The policy maker should have consider and aware the need and 7 categories of disabilities, what is the age and requirements. Some of the regulations which not specifically govern us as NGOs also impacted us where the policy is no longer align with the need of current situation and government attention need to be directed to that kind of issues” **NGO 4**

“I think they should because we are the people who actually know what is happening. They create memorandum and policies without even knowing what they are talking about, it is wrong. These past two years I am trying to apply to Bursa Saham, they collect from various group of corporate companies, they give some of the amount to NGOs. To just get the fund, they need an audited report, to audit a report for NGO like us is RM3500. They are asking something which we cannot provide. To be a beneficiary, we have to do this. For them they want to see whether we are genuine, I would like for them to come when they receive their application. Come and see what we are doing. At least they know they should give or not. Asking report from NGO like people like us is very unfair. Not only have them, foundations as well required audited report. They want tax exemption number, for us to get the status we have to go through so many steps. Some NGOs are able because they get good donors, some of us unfortunately have not attained any of that yet. This is our main problem. We are very genuine if not why we would want to get into people’s problems.

Everybody got house and wall everybody want to mind their own business. I am a professional and left my job and my husband a professional left his job. We saw there is need and cannot be self centred. We want to address the problem. We want to help but we do not see other people want to help, it is very demotivating. If our bills are not paid right, it is very challenging. ” NGO 5

“Of course must ask.” NGO 6



4. In ensuring the sustainability of your organization, is it important to have ongoing dialogue with other stakeholders (i.e. government bodies) in CSR and why? (O)

It is frustrating that the policy makers who do not have the genuine understanding of how NGOs work and what are our role in the society, create new regulations and imposed it on us. Usually the regulations either hinder us from executing our charity services and plan or it impedes our ability to sustain. The policy makers sometimes are too eager to tackle the surface issue with 20% understanding of the bigger picture, they are severely misinformed.” NGO 1

“We works closely with Malaysia Association of Social Works and they share their knowledge and sometimes we also share our experience. “Yes of course. When talking about sustainability, financial sustainability it is not so much on the government but it is more on the corporates. For example Khazanah is our first funder and they are the example of a very good CSR, they came to the ground. One of the big bosses, she came down and talked to us and she asked us what do we actually need and she told us what they can help in their capacity as well as they give us funding. Most of the corporate are not like that, okay we just give you the money and now it is now your problem and we just want to see the impact. I always question what is impact? Impact is a long term thing and not a short term thing. In a year you gave us money, what impact do you want to see? We can say like thirty children exposed to Tae Kwan Do class, how many get black belt but that is not the impact that we strive for, we want to see that these children

become healthy young adult and that is going to take time. We are competing against the environment, their nurturing at homes. Most of the parents are illiterate and have small business, so what can the parents offer to the kids so when they go home at night, that is the exposure. Sometimes we can see the children progressing but stuck with the parents.” NGO 2

“Of course, we have the ongoing dialogue with them. We requested any corporate entities that have received their halal certification from JAKIM to have their own internal syariah consultants. What are their role? Their role is to inform and to teach the whole organization what Halal is actually all about. We establish a standards which is a set of requirement if you use the same sets of procedures and the same set of formula you can get the same outcome. Not only for Muslim company but for non-Muslim company. It is different with Yahudi Kosher certification, they demand any company who get the Kosher certification to have their Rabai on the management boards as decision makers not only as advisor and their advice must be followed. Why are they following the Rabai’s advice? Because Jews or Yahudi have big funds and the one which certified with Kosher, they can push their market price. Unfortunately, we as Muslims we do not have that big funds and we plead to all consumers especially to Muslims consumers to give support to those who have been given halal certification by third party like JAKIM or any other overseas halal certification bodies. We need the third party who without fear and bias certified something as halal and syariah compliance. We can be quite flexible, it is either not going against Syariah or follows the Syariah both we accept. We are going to be a bridge

between consumers, Muslims consumers, manufacturers and government. We act as mediator as well as facilitator. We have developed a strong relationship with all the government agencies, private sectors since 1996. We can proudly say that we actively involved in standards writing committee. We also being appointed by Islamic Development Bank to invent Halal ecosystem. We also sit in Majlis Perundangan Islam especially during Zahid Hamidi is the minister. We are giving governments our opinion on certain issues and we are also involve in Majlis Penasihat Pengguna Negara. Other achievements is recognition by government bodies. Just to prove we are recognized by Malaysian Government.” **NGO 3**

“Yes for me we need to have other NGOs who handle special education children. We just collaborate and establish network to share our experiences. We do have this kind of gathering and discussion but with the frequency is minimal and no continuity maybe due to the factor of financial, time.” **NGO 4**

“Yes. I think so just to create awareness.” **NGO 5**

“Yes, need to talk to the people to get financial support.” **NGO 6**

5. What your organization considers as success in conducting CSR? (O)

“ If we are able to reach out to the community through our programmes.”

NGO 1

“I would say that the success is when one of the corporate funders are heighten on their awareness about the real issues in Malaysia, and out of so many of them one come back said they want to be a consistent volunteer that would be the kind of impact we expect from CSR. But it is really hard to get. Sometimes during a programme, there some individuals who come and ask us on how we do things and they really connect with us and wanted to help us. During the event, there is a hype of doing the CSR and then after one week when we tried to contact them and offer things that they can do, they will just say sorry that their timing is really bad. Again, it is a waste of our resources as we took time to respond to you.” **NGO 2**

“First if we can see asnaf becoming successful entrepreneurs, the ex-convicts repented and contributing to the society and we have on Drug Intervention Community in Kuantan, it is very good managed by former drug addict, they managed to cut off the substance abuse and form this group and help those with drug addiction problems and they also bring in the HIV patients and rehabilitate them and they will arrange for the funeral for the HIV patients.” **NGO 3**

“For me we have an open door policy where we welcome students to come and do research about us as long as you know what you want to achieve at the end of the research. Like helping the children through your studies.”

NGO 4

“If people can be aware of our struggle and come and help us that is a success for me.” NGO 5

“If people come and see the old folks, talk to them, entertain them that will be nice.” NGO 6

